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TAX FOUNDATION MAY 1990

Special Report

Federal Tax Burden by State

by Paul G. Merski

Federal taxes will climb 8.4 percent in fiscal year 1990, hitting a record $1,044.5 billion. This represents an $81.1 billion increase over last year's tax take of $963.4 billion, according to detailed analysis of the proposals in the FY1991 budget. Individual taxpayers will absorb a 9.8 percent increase, up $43 billion from last year, while corporations will send Uncle Sam 8.2 percent more this year.

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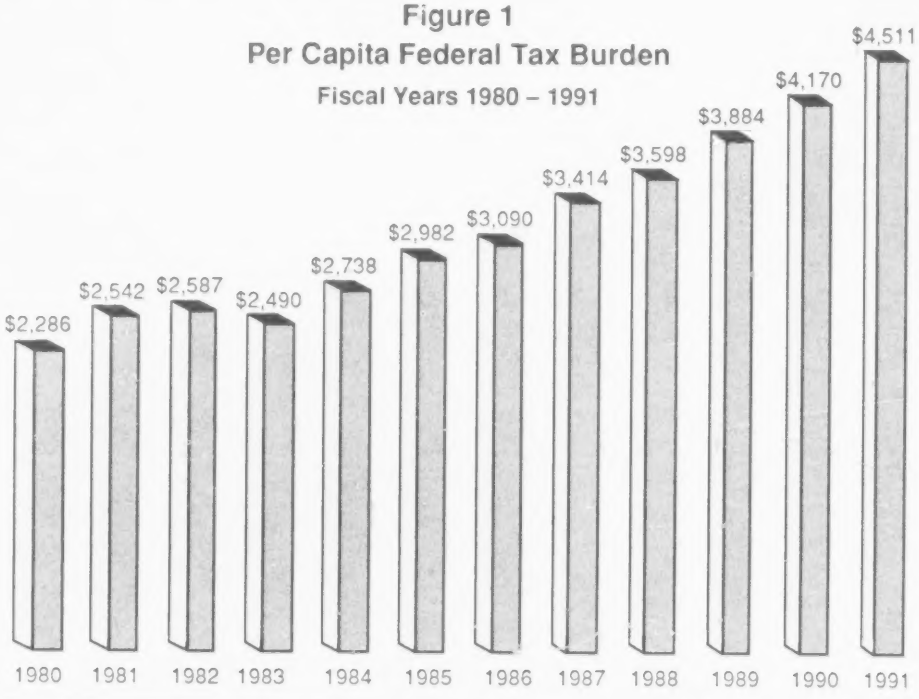
What Is Each State's Share of the Federal Tax Burden?

While the Federal Budget details tax revenues at aggregate levels, it is of economic interest to examine the specific tax impact on the residents of the fifty states and the District of Columbia. Information on the amount of federal taxes collected in each state is

Figure 1
Per Capita Federal Tax Burden
Fiscal Years 1980 – 1991



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published by the Internal Revenue Service (IRS.) Unfortunately, the data are not designed to reveal the geographic origin of the taxes but instead merely reflect the location of the IRS office where the taxes are paid. From an economic standpoint, it is important to know more about the location of the tax burden than just the collection site.

Table 1
Total Tax Burden by State
Fiscal Years 1989-1991
($Millions)

State	Total Burden			Federal Funds Burden [1]		
	1989	1990	1991	1989	1990	1991
U.S. Total	$963,376	$1,044,506	$1,141,104	$587,282	$643,231	$702,440
Alabama	11,636	12,603	13,768	6,781	7,426	8,108
Alaska	2,518	2,724	2,969	1,441	1,580	1,723
Arizona	11,867	12,869	14,076	7,210	7,894	8,630
Arkansas	6,372	6,885	7,522	3,512	3,844	4,204
California	125,050	135,694	148,298	76,793	84,119	91,859
Colorado	12,257	13,287	14,524	7,401	8,105	8,858
Connecticut	20,295	22,070	24,099	13,442	14,732	16,060
Delaware	3,090	3,348	3,658	1,753	1,919	2,095
Florida	49,468	53,742	58,803	32,870	35,980	39,341
Georgia	22,075	23,923	26,128	13,256	14,520	15,847
Hawaii	4,211	4,572	4,999	2,539	2,781	3,036
Idaho	2,723	2,940	3,211	1,483	1,624	1,777
Illinois	50,894	55,198	60,278	31,512	34,519	37,680
Indiana	18,959	20,562	22,476	11,462	12,554	13,712
Iowa	9,210	9,964	10,895	5,346	5,851	6,406
Kansas	9,090	9,846	10,762	5,399	5,912	6,465
Kentucky	10,391	11,250	12,291	6,120	6,700	7,320
Louisiana	11,993	12,969	14,161	6,958	7,616	8,322
Maine	4,076	4,414	4,821	2,461	2,695	2,945
Maryland	21,913	23,809	26,025	13,652	14,958	16,323
Massachusetts	30,403	33,024	36,075	19,424	21,283	23,223
Michigan	36,626	39,669	43,301	21,888	23,980	26,183
Minnesota	16,906	18,312	20,011	9,806	10,740	11,737
Mississippi	5,988	6,476	7,078	3,356	3,672	4,013
Missouri	18,307	19,847	21,701	11,136	12,193	13,328
Montana	2,265	2,446	2,675	1,258	1,376	1,507
Nebraska	5,261	5,702	6,239	3,070	3,360	3,676
Nevada	4,519	4,901	5,346	2,964	3,246	3,539
New Hampshire	5,195	5,648	6,173	3,342	3,661	3,994
New Jersey	44,851	48,676	53,144	28,066	30,761	33,564
New Mexico	4,164	4,503	4,921	2,384	2,609	2,854
New York	85,754	93,103	101,742	53,141	58,203	63,532
North Carolina	21,232	23,016	25,147	12,524	13,717	14,971
North Dakota	1,913	2,067	2,260	1,088	1,191	1,304
Ohio	40,057	43,416	47,435	23,666	25,922	28,309
Oklahoma	9,666	10,449	11,410	5,657	6,185	6,756
Oregon	9,522	10,290	11,237	5,414	5,927	6,483
Pennsylvania	46,530	50,377	54,997	27,813	30,465	33,279
Rhode Island	4,184	4,533	4,949	2,481	2,718	2,968
South Carolina	9,979	10,804	11,801	5,726	6,269	6,845
South Dakota	1,941	2,102	2,301	1,115	1,220	1,336
Tennessee	15,690	17,002	18,565	9,371	10,265	11,200
Texas	58,498	63,336	69,113	35,806	39,214	42,804
Utah	4,409	4,771	5,215	2,465	2,700	2,952
Vermont	1,974	2,136	2,332	1,196	1,310	1,431
Virginia	24,690	26,818	29,321	15,433	16,909	18,461
Washington	18,296	19,795	21,598	11,007	12,058	13,172
West Virginia	4,746	5,125	5,594	2,712	2,968	3,245
Wisconsin	17,187	18,586	20,296	9,958	10,904	11,921
Wyoming	1,530	1,649	1,797	912	998	1,091
Dist. of Columbia	3,252	3,530	3,853	2,061	2,258	2,462

[1] Excluding trust fund taxes.

Source: Computations of total tax burden by state made by Tax Foundation, based on Fiscal Year 1991 Budget of the U.S.

Table 2
Per Capita Tax Burden by State
Fiscal Years 1989-1991

State	Per Capita Burden			State Rank '90	
	1989	1990	1991	Total Taxes	Per Capita
U.S. Total	$3,884	$4,170	$4,511	—	—
Alabama	2,821	3,037	3,298	25	41
Alaska	4,667	4,891	5,164	46	9
Arizona	3,309	3,483	3,697	24	34
Arkansas	2,655	2,863	3,122	32	48
California	4,331	4,600	4,921	1	11
Colorado	3,660	3,905	4,202	22	22
Connecticut	6,252	6,768	7,358	15	1
Delaware	4,629	4,953	5,344	44	8
Florida	3,908	4,127	4,391	5	19
Georgia	3,424	3,646	3,912	12	29
Hawaii	3,781	4,044	4,354	39	20
Idaho	2,698	2,891	3,137	45	46
Illinois	4,375	4,738	5,166	4	10
Indiana	3,409	3,693	4,032	16	27
Iowa	3,261	3,541	3,886	30	23
Kansas	3,623	3,899	4,236	31	23
Kentucky	2,783	3,008	3,280	26	43
Louisiana	2,725	2,952	3,230	23	44
Maine	3,358	3,607	3,909	42	31
Maryland	4,694	5,046	5,456	13	6
Massachusetts	5,149	5,577	6,076	10	4
Michigan	3,966	4,298	4,695	9	15
Minnesota	3,902	4,200	4,561	20	16
Mississippi	2,276	2,451	2,668	33	51
Missouri	3,544	3,823	4,159	17	24
Montana	2,807	3,024	3,300	47	42
Nebraska	3,277	3,545	3,871	34	32
Nevada	4,159	4,364	4,606	37	13
New Hampshire	4,703	5,014	5,374	35	7
New Jersey	5,700	6,239	6,776	7	2
New Mexico	2,719	2,890	3,105	41	47
New York	4,779	5,178	5,647	2	5
North Carolina	3,237	3,469	3,747	14	35
North Dakota	2,862	3,086	3,366	50	39
Ohio	3,689	3,997	4,366	8	21
Oklahoma	2,959	3,173	3,438	28	38
Oregon	3,423	3,678	3,995	29	28
Pennsylvania	3,873	4,189	4,569	6	17
Rhode Island	4,193	4,517	4,906	40	12
South Carolina	2,843	3,040	3,280	27	40
South Dakota	2,709	2,919	3,179	49	45
Tennessee	3,183	3,424	3,711	21	37
Texas	3,410	3,619	3,870	3	30
Utah	2,568	2,731	2,934	38	50
Vermont	3,511	3,761	4,065	48	26
Virginia	4,052	4,341	4,681	11	14
Washington	3,886	4,146	4,462	18	18
West Virginia	2,541	2,758	3,026	36	49
Wisconsin	3,529	3,803	4,139	19	25
Wyoming	3,189	3,429	3,730	51	36
Dist. of Columbia	5,292	5,770	6,326	43	3

Source: Computations of total and per capita tax burden by state made by Tax Foundation, based on Fiscal Year 1991 Budget of the U.S.

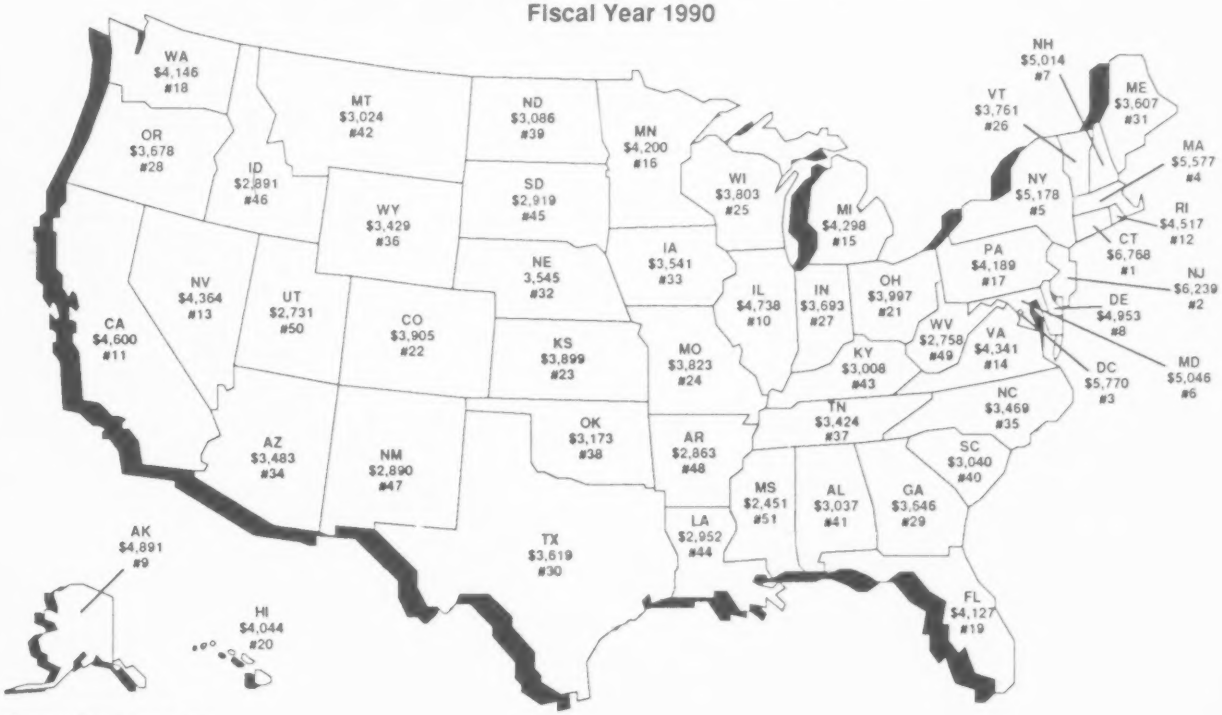
The Tax Foundation, in cooperation with other organizations, has developed a special allocation methodology which does pinpoint the geographic origin of federal taxes to show where the burden of these taxes is actually borne. This state-by-state allocation shows the approximate tax cost of the new federal budget for each state and helps to answer several important fiscal questions:

- Does the burden of federal taxes weigh more heavily in some states than in others?
- Do certain types of federal taxes impose a greater burden on the residents of one state over another? [1]
- How do the federal taxes paid by the people in a particular region compare with actual benefits they receive from federal expenditures? [2]
- How do federal financial operations affect the net flow of funds among states?
- What will be the approximate cost to the residents of any state resulting from a federal tax increase or the institution of a new federal program?

The State-by-State Picture

The Tax Foundation's state-by-state distribution of the federal tax burden,

Figure 2
Per Capita Total Federal Tax Burden by State
Fiscal Year 1990



Source: Tax Foundation

[1] Additional information on tax burden by type of tax and state is available from the Tax Foundation.
[2] Tax Foundation, *The Federal Tax Burden Compared to Grants-in-Aid*, 8 pp., $10 + $2 p/h.

both federal funds (excluding trust fund taxes) and total taxes (including trust fund taxes) is given in Table 1. In 1990, for example, the state of California will generate 13 percent or $136 billion of the estimated $1.04 trillion in total federal taxes. By comparison, residents of Wyoming will pay 0.16 percent or $1.6 billion of the 1990 federal tax bill.

Table 3

Total Federal Tax Burden Per Capita by State

Fiscal Years 1981-1991

State	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
U.S. Total	$2,542	$2,587	$2,490	$2,738	$2,982	$3,090	$3,414	$3,598	$3,884	$4,170	$4,511
Alabama	1,898	1,929	1,819	2,094	2,234	2,311	2,505	2,622	2,821	3,037	3,298
Alaska	3,670	4,007	4,173	4,340	4,676	4,377	4,358	4,163	4,667	4,891	5,164
Arizona	2,200	2,328	2,198	2,365	2,590	2,725	2,991	3,142	3,309	3,483	3,697
Arkansas	1,792	1,798	1,714	1,960	2,148	2,136	2,371	2,446	2,655	2,863	3,122
California	2,859	2,885	2,742	3,012	3,324	3,422	3,806	4,006	4,331	4,600	4,921
Colorado	2,577	2,747	2,773	2,911	3,115	3,210	3,406	3,447	3,660	3,905	4,202
Connecticut	3,267	3,476	3,396	3,807	4,215	4,485	5,124	5,575	6,252	6,768	7,358
Delaware	2,802	2,852	2,801	3,050	3,239	3,590	3,890	4,283	4,629	4,953	5,344
Florida	2,311	2,477	2,388	2,630	2,927	3,031	3,409	3,692	3,908	4,127	4,391
Georgia	2,022	2,096	2,046	2,325	2,613	2,678	3,029	3,203	3,424	3,646	3,912
Hawaii	2,609	2,622	2,492	2,694	2,819	2,878	3,206	3,414	3,781	4,044	4,354
Idaho	2,003	1,987	1,856	2,056	2,108	2,295	2,428	2,509	2,698	2,891	3,137
Illinois	3,026	3,029	2,860	3,045	3,343	3,425	3,789	3,986	4,375	4,738	5,166
Indiana	2,551	2,455	2,296	2,517	2,698	2,771	3,012	3,186	3,409	3,693	4,032
Iowa	2,524	2,546	2,265	2,498	2,765	2,644	2,887	3,052	3,261	3,541	3,886
Kansas	2,711	2,658	2,609	2,859	3,063	3,039	3,349	3,382	3,623	3,899	4,236
Kentucky	2,022	1,977	1,898	2,100	2,250	2,248	2,435	2,612	2,783	3,008	3,280
Louisiana	2,188	2,360	2,344	2,439	2,685	2,530	2,564	2,520	2,725	2,952	3,230
Maine	1,896	1,950	1,910	2,174	2,356	2,429	2,769	3,095	3,358	3,607	3,909
Maryland	2,854	2,909	2,825	3,131	3,475	3,791	4,079	4,325	4,694	5,046	5,456
Massachusetts	2,638	2,755	2,750	3,175	3,537	3,731	4,254	4,668	5,149	5,577	6,076
Michigan	2,842	2,621	2,412	2,708	2,872	3,154	3,609	3,716	3,966	4,298	4,695
Minnesota	2,541	2,623	2,448	2,735	2,977	3,058	3,412	3,690	3,902	4,200	4,561
Mississippi	1,619	1,671	1,630	1,777	1,885	1,862	2,024	2,096	2,276	2,451	2,668
Missouri	2,458	2,374	2,278	2,594	2,814	2,941	3,202	3,380	3,544	3,823	4,159
Montana	2,268	2,331	2,138	2,364	2,452	2,401	2,621	2,634	2,807	3,024	3,300
Nebraska	2,505	2,487	2,251	2,515	2,751	2,786	2,980	3,114	3,277	3,545	3,871
Nevada	2,820	2,917	2,690	2,866	3,119	3,241	3,624	3,838	4,159	4,364	4,606
New Hampshire	2,488	2,533	2,477	2,855	3,135	3,414	3,888	4,356	4,703	5,014	5,374
New Jersey	3,038	3,218	3,164	3,624	3,966	4,202	4,811	5,252	5,780	6,239	6,776
New Mexico	2,074	2,011	2,007	2,180	2,364	2,354	2,538	2,553	2,719	2,890	3,105
New York	2,724	2,774	2,734	3,056	3,383	3,602	4,083	4,360	4,779	5,178	5,647
North Carolina	1,957	2,025	1,919	2,199	2,450	2,521	2,800	2,989	3,237	3,469	3,747
North Dakota	2,302	2,504	2,333	2,706	2,759	2,591	2,763	2,831	2,862	3,086	3,366
Ohio	2,627	2,581	2,412	2,660	2,851	2,986	3,284	3,449	3,689	3,997	4,366
Oklahoma	2,372	2,433	2,525	2,544	2,732	2,716	2,853	2,788	2,959	3,173	3,438
Oregon	2,537	2,468	2,249	2,472	2,542	2,708	2,982	3,165	3,423	3,678	3,995
Pennsylvania	2,543	2,565	2,471	2,712	2,889	3,066	3,365	3,592	3,873	4,189	4,569
Rhode Island	2,500	2,571	2,402	2,777	3,016	3,150	3,508	3,853	4,193	4,517	4,906
South Carolina	1,826	1,861	1,797	2,014	2,212	2,220	2,472	2,636	2,843	3,040	3,280
South Dakota	2,011	2,045	1,911	2,117	2,329	2,230	2,443	2,583	2,709	2,919	3,179
Tennessee	2,047	2,090	1,967	2,278	2,431	2,501	2,754	2,960	3,183	3,424	3,711
Texas	2,510	2,732	2,722	2,813	3,115	3,123	3,235	3,194	3,410	3,619	3,870
Utah	1,911	1,928	1,869	2,000	2,145	2,181	2,323	2,392	2,568	2,731	2,934
Vermont	2,025	2,058	2,039	2,246	2,394	2,567	2,942	3,209	3,511	3,761	4,065
Virginia	2,491	2,545	2,516	2,822	3,042	3,158	3,514	3,748	4,052	4,341	4,681
Washington	2,827	2,938	2,738	2,901	2,972	3,076	3,460	3,575	3,886	4,146	4,462
West Virginia	2,000	2,033	1,947	2,095	2,128	2,140	2,330	2,395	2,541	2,758	3,026
Wisconsin	2,489	2,375	2,317	2,545	2,735	2,811	3,144	3,310	3,529	3,803	4,139
Wyoming	2,890	3,043	2,931	2,889	2,854	2,978	3,014	2,880	3,189	3,429	3,730
Dist. of Columbia	3,373	3,422	3,290	3,799	4,170	4,270	4,757	4,995	5,292	5,770	6,326

Source: Total U.S. taxes as shown in the Budget of the U. S. Government for Fiscal Years 1981 through 1991. Computations of per capita tax burden by state were made by the Tax Foundation.

Per Capita Tax Burden

The national per capita federal tax burden will rise $286 to $4,170 in FY1990, and each state's per capita federal tax burden is shown in Table 2 and Figure 2. Ranked from highest to lowest, the residents of the following nine states and the District of Colum-

Table 4
Total Federal Tax Burden by State
Fiscal Years 1981-1991
($Millions)

State	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
U.S. Total	$581,595	$597,472	$580,619	$645,043	$709,400	$744,578	$830,536	$884,364	$963,376	$1,044,506	$1,141,104
Alabama	7,444	7,583	7,204	8,276	8,996	9,340	10,209	10,775	11,636	12,603	13,768
Alaska	1,512	1,679	1,882	2,266	2,355	2,394	2,419	2,269	2,518	2,724	2,969
Arizona	6,107	6,612	6,391	7,257	8,271	8,944	10,209	10,964	11,867	12,869	14,076
Arkansas	4,129	4,137	3,929	4,557	5,011	5,038	5,633	5,852	6,372	6,885	7,522
California	68,570	70,717	68,758	77,503	86,183	92,012	104,606	113,203	125,050	135,694	148,298
Colorado	7,619	8,271	8,587	9,450	10,178	10,588	11,322	11,564	12,257	13,287	14,524
Connecticut	10,236	10,945	10,754	11,873	13,282	14,281	16,402	17,979	20,295	22,070	24,099
Delaware	1,687	1,711	1,692	1,845	1,994	2,251	2,486	2,788	3,090	3,348	3,658
Florida	22,973	25,896	25,429	29,189	33,177	35,440	40,820	45,687	49,468	53,742	58,803
Georgia	11,167	11,819	11,658	13,523	15,395	16,266	18,782	20,286	22,075	23,923	26,128
Hawaii	2,559	2,596	2,502	2,813	2,974	3,082	3,449	3,755	4,211	4,572	4,999
Idaho	1,919	1,924	1,804	2,062	2,179	2,332	2,455	2,521	2,723	2,940	3,211
Illinois	34,779	34,788	32,758	34,703	38,475	39,545	43,850	46,237	50,894	55,198	60,278
Indiana	14,133	13,386	12,544	13,620	14,915	15,229	16,590	17,634	18,959	20,562	22,476
Iowa	7,386	7,358	6,572	7,164	8,078	7,605	8,208	8,613	9,210	9,964	10,895
Kansas	6,456	6,364	6,321	6,954	7,480	7,491	8,285	8,424	9,090	9,846	10,762
Kentucky	7,503	7,239	6,962	7,770	8,502	8,396	9,108	9,755	10,391	11,250	12,291
Louisiana	9,306	10,313	10,348	11,023	11,522	11,336	11,560	11,240	11,993	12,969	14,161
Maine	2,152	2,219	2,167	2,489	2,752	2,845	3,268	3,702	4,076	4,414	4,821
Maryland	12,097	12,478	12,093	13,477	15,193	16,764	18,351	19,810	21,913	23,809	26,025
Massachusetts	15,180	15,960	15,931	18,155	20,451	21,764	24,874	27,402	30,403	33,024	36,075
Michigan	26,521	24,032	21,850	24,014	26,213	28,534	32,959	34,147	36,626	39,669	43,301
Minnesota	10,469	10,761	10,161	11,307	12,487	12,880	14,450	15,751	16,906	18,312	20,011
Mississippi	4,129	4,238	4,172	4,610	4,948	4,896	5,345	5,531	5,988	6,476	7,078
Missouri	12,155	11,762	11,303	12,820	14,124	14,838	16,292	17,333	18,307	19,847	21,701
Montana	1,803	1,855	1,723	1,948	2,046	2,000	2,160	2,139	2,265	2,446	2,675
Nebraska	3,955	3,932	3,582	4,009	4,433	4,491	4,774	4,972	5,261	5,702	6,239
Nevada	2,326	2,550	2,448	2,677	3,005	3,124	3,580	3,988	4,519	4,901	5,346
New Hampshire	2,326	2,394	2,380	2,767	3,142	3,458	4,056	4,691	5,195	5,648	6,173
New Jersey	22,566	23,889	23,602	26,956	29,802	31,909	36,840	40,506	44,851	48,676	53,144
New Mexico	2,733	2,705	2,767	3,137	3,409	3,481	3,822	3,904	4,164	4,503	4,921
New York	47,749	48,886	48,355	53,579	59,251	64,161	72,710	77,852	85,754	93,103	101,742
North Carolina	11,632	12,148	11,636	13,478	15,225	15,939	17,920	19,390	21,232	23,016	25,147
North Dakota	1,512	1,655	1,577	1,859	1,889	1,790	1,887	1,911	1,913	2,067	2,260
Ohio	28,556	27,795	26,012	28,197	30,657	32,030	35,304	37,174	40,057	43,416	47,435
Oklahoma	7,270	7,651	8,154	8,692	9,101	9,106	9,548	9,219	9,666	10,449	11,410
Oregon	6,805	6,567	5,965	6,546	7,047	7,298	8,074	8,659	9,522	10,290	11,237
Pennsylvania	30,243	30,447	29,305	31,941	34,297	36,306	40,029	42,896	46,530	50,377	54,997
Rhode Island	2,385	2,458	2,308	2,635	2,896	3,059	3,434	3,818	4,184	4,533	4,949
South Carolina	5,758	5,946	5,806	6,662	7,391	7,523	8,440	9,141	9,979	10,804	11,801
South Dakota	1,396	1,397	1,320	1,478	1,641	1,586	1,737	1,837	1,941	2,102	2,301
Tennessee	9,538	9,664	9,188	10,670	11,605	11,984	13,315	14,475	15,690	17,002	18,565
Texas	36,350	41,233	42,581	46,162	50,557	52,461	55,196	54,847	58,498	63,336	69,113
Utah	2,850	2,994	2,965	3,384	3,669	3,666	3,940	4,095	4,409	4,771	5,215
Vermont	1,047	1,068	1,056	1,184	1,286	1,384	1,603	1,775	1,974	2,136	2,332
Virginia	13,493	13,945	13,939	15,802	17,305	18,228	20,565	22,428	24,690	26,818	29,321
Washington	11,806	12,540	11,727	12,607	13,232	13,718	15,607	16,431	18,296	19,795	21,598
West Virginia	3,955	3,970	3,790	4,088	4,183	4,135	4,459	4,524	4,746	5,125	5,594
Wisconsin	11,806	11,312	11,085	12,019	13,153	13,448	15,080	15,957	17,187	18,586	20,296
Wyoming	1,396	1,537	1,504	1,540	1,537	1,537	1,543	1,420	1,530	1,649	1,797
Dist. of Columbia	2,152	2,146	2,070	2,310	2,506	2,660	2,973	3,097	3,252	3,530	3,853

Source: Total U.S. taxes as shown in the Budget of the U.S. Government for Fiscal Years 1981 through 1991. Computations of total tax burden by state were made by the Tax Foundation.

bia pay the most:

Connecticut	$6,768	Maryland	$5,046
New Jersey	6,239	New Hampshire	5,014
D.C.	5,770	Delaware	4,953
Massachusetts	5,577	Alaska	4,891
New York	5,178	Illinois	4,738

The average Federal tax burden for citizens in the top ten states is $5,417, up $523 from FY1989. On the other hand, the lowest burdens, averaging $2,849, are borne by taxpayers in the

Table 5

Percent of Total Federal Tax Burden by State

Fiscal Years 1981-1991

State	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
U.S. Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Alabama	1.28	1.27	1.24	1.28	1.27	1.25	1.23	1.22	1.21	1.21	1.21
Alaska	0.26	0.28	0.32	0.35	0.33	0.32	0.29	0.26	0.26	0.26	0.26
Arizona	1.05	1.11	1.10	1.13	1.17	1.20	1.23	1.24	1.23	1.23	1.23
Arkansas	0.71	0.69	0.68	0.71	0.71	0.68	0.68	0.66	0.66	0.66	0.66
California	11.79	11.84	11.84	12.02	12.15	12.36	12.59	12.85	12.98	12.99	13.00
Colorado	1.31	1.38	1.48	1.47	1.43	1.42	1.36	1.31	1.27	1.27	1.27
Connecticut	1.76	1.83	1.85	1.84	1.87	1.92	1.97	2.03	2.11	2.11	2.11
Delaware	0.29	0.29	0.29	0.29	0.28	0.30	0.30	0.32	0.32	0.32	0.32
Florida	3.95	4.33	4.38	4.53	4.68	4.76	4.91	5.17	5.13	5.15	5.15
Georgia	1.92	1.98	2.01	2.10	2.17	2.18	2.26	2.29	2.29	2.29	2.29
Hawaii	0.44	0.43	0.43	0.44	0.42	0.41	0.42	0.42	0.44	0.44	0.44
Idaho	0.33	0.32	0.31	0.32	0.31	0.31	0.30	0.29	0.28	0.28	0.28
Illinois	5.98	5.82	5.64	5.38	5.42	5.31	5.28	5.23	5.28	5.28	5.28
Indiana	2.43	2.24	2.16	2.11	2.10	2.05	2.00	1.99	1.97	1.97	1.97
Iowa	1.27	1.23	1.13	1.11	1.14	1.02	0.99	0.97	0.96	0.95	0.95
Kansas	1.11	1.07	1.09	1.08	1.05	1.01	1.00	0.95	0.94	0.94	0.94
Kentucky	1.29	1.21	1.20	1.20	1.20	1.13	1.10	1.10	1.08	1.08	1.08
Louisiana	1.60	1.73	1.78	1.71	1.62	1.52	1.39	1.27	1.24	1.24	1.24
Maine	0.37	0.37	0.37	0.39	0.39	0.38	0.39	0.42	0.42	0.42	0.42
Maryland	2.08	2.09	2.08	2.09	2.14	2.25	2.21	2.24	2.27	2.28	2.28
Massachusetts	2.61	2.67	2.74	2.81	2.88	2.92	2.99	3.10	3.16	3.16	3.16
Michigan	4.56	4.02	3.76	3.72	3.70	3.83	3.97	3.86	3.80	3.80	3.79
Minnesota	1.80	1.80	1.75	1.75	1.76	1.73	1.74	1.78	1.75	1.75	1.75
Mississippi	0.71	0.71	0.72	0.71	0.70	0.66	0.64	0.63	0.62	0.62	0.62
Missouri	2.09	1.97	1.95	1.99	1.99	1.99	1.96	1.96	1.90	1.90	1.90
Montana	0.31	0.31	0.30	0.30	0.29	0.27	0.26	0.24	0.24	0.23	0.23
Nebraska	0.68	0.66	0.62	0.62	0.62	0.60	0.57	0.56	0.55	0.55	0.55
Nevada	0.40	0.43	0.42	0.42	0.42	0.42	0.43	0.45	0.47	0.47	0.47
New Hampshire	0.40	0.40	0.41	0.43	0.44	0.42	0.49	0.53	0.54	0.54	0.54
New Jersey	3.88	4.00	4.06	4.18	4.20	4.29	4.44	4.58	4.66	4.66	4.66
New Mexico	0.47	0.45	0.48	0.49	0.48	0.47	0.46	0.44	0.43	0.43	0.43
New York	8.21	8.18	8.33	8.31	8.35	8.62	8.75	8.80	8.90	8.91	8.92
North Carolina	2.00	2.03	2.00	2.09	2.15	2.14	2.16	2.19	2.20	2.20	2.20
North Dakota	0.26	0.28	0.27	0.29	0.27	0.24	0.23	0.22	0.20	0.20	0.20
Ohio	4.91	4.65	4.48	4.37	4.32	4.30	4.25	4.20	4.16	4.16	4.16
Oklahoma	1.25	1.28	1.40	1.35	1.28	1.22	1.15	1.04	1.00	1.00	1.00
Oregon	1.17	1.10	1.03	1.01	0.99	0.98	0.97	0.98	0.99	0.99	0.98
Pennsylvania	5.20	5.10	5.05	4.95	4.83	4.88	4.82	4.85	4.83	4.82	4.82
Rhode Island	0.41	0.41	0.40	0.41	0.41	0.41	0.41	0.43	0.43	0.43	0.43
South Carolina	0.99	1.00	1.00	1.03	1.04	1.01	1.02	1.03	1.04	1.03	1.03
South Dakota	0.24	0.23	0.23	0.23	0.23	0.21	0.21	0.21	0.20	0.20	0.20
Tennessee	1.64	1.62	1.58	1.65	1.64	1.61	1.60	1.64	1.63	1.63	1.63
Texas	6.25	6.90	7.33	7.16	7.13	7.05	6.65	6.20	6.07	6.06	6.06
Utah	0.49	0.50	0.51	0.52	0.52	0.49	0.47	0.46	0.46	0.46	0.46
Vermont	0.18	0.18	0.18	0.18	0.18	0.19	0.19	0.20	0.20	0.20	0.20
Virginia	2.32	2.33	2.40	2.45	2.44	2.45	2.48	2.54	2.56	2.57	2.57
Washington	2.03	2.10	2.02	1.95	1.87	1.84	1.88	1.86	1.90	1.90	1.89
West Virginia	0.68	0.66	0.65	0.63	0.59	0.56	0.54	0.51	0.49	0.49	0.49
Wisconsin	2.03	1.89	1.91	1.86	1.85	1.81	1.82	1.80	1.78	1.78	1.78
Wyoming	0.24	0.26	0.26	0.24	0.22	0.21	0.19	0.16	0.16	0.16	0.16
Dist. of Columbia	0.39	0.36	0.36	0.36	0.35	0.36	0.36	0.35	0.34	0.34	0.34

Source: Total U.S. taxes as shown in the Budget of the U.S. Government for Fiscal Years 1981-1991. Computations of the tax burden by state were made by the Tax Foundation.

following states:

Mississippi	$2,451	Idaho	$2,891
Utah	2,731	S.Dakota	2,919
West Virginia	2,758	Louisiana	2,952
Arkansas	2,863	Kentucky	3,008
New Mexico	2,890	Montana	3,024

Citizens in the top ten states pay an average per capita tax burden that is $2,568 higher than citizens in the lowest per capita states. The recent trend in the per capita federal tax burdens is shown in Figure 1. Table 3 details this trend by state.

Total Tax Burden By State

Predictably, total federal tax burdens (see Table 1) are heaviest in the most populous states:

	(Millions)		(Millions)
California	$135,694	Pennsylvania	$50,377
New York	93,103	New Jersey	48,676
Texas	63,336	Ohio	43,416
Illinois	55,198	Michigan	39,669
Florida	53,742	Massachusetts	33,024

These "top ten" taxpaying states will send Uncle Sam a total of $616.2 billion in FY1990.

The lowest tax burdens will be in the following nine states, plus the District of Columbia:

	(Millions)		(Millions)
Wyoming	$1,649	Alaska	$2,724
N. Dakota	2,067	Idaho	2,940
S. Dakota	2,102	Delaware	3,348
Vermont	2,136	D.C.	3,530
Montana	2,446	Maine	4,414

While the top ten will pay 59 percent of all federal taxes, the bottom ten will pay 2.6 percent of the total federal tax burden, a total of $27.4 billion.

Tax Burden Trend

The total federal tax burden by state for fiscal years 1981 through 1991 is presented in Table 4. Table 5 provides a ten-year history of each state's annual percentage of the total federal tax burden. For example, Californians were paying 11.8 percent of the total federal tax bill in 1981 but are estimated to pay 13 percent of the tab by 1991. By comparison, Michigan's share of the federal tax take will have declined from 4.6 percent in 1981 to an estimated 3.8 percent by 1991.

Tax Burden Outlook

It should be noted that the federal tax burden calculation does not count federal budget deficits. For example, the estimated $124 billion federal budget deficit for 1990 is not included in the 1990 calculation. However, continued deficit spending does fuel a growing national debt, now over $3 trillion. The cost of servicing this debt will cause future increases in the tax burden and a weaker economy and does not augur well for the possibility of a decline in the federal tax burden.

* * *

Brief Allocation Description

The major bases used for estimating the various federal taxes by state appear in Table 6. The actual federal tax burden borne by the residents of each state is calculated based on its shares of these specific taxes. The allocation bases are used to indicate the final incidence of federal taxes, as opposed to their original impact.

For example, since distilleries are concentrated in Kentucky, wineries in California, and breweries in New York and Wisconsin, the concentrated collections of taxes on whiskey, wine, and beer in these states do not reflect the national consumption pattern and actual tax incidence. Therefore, the Tax Foundation's allocation methodology uses, in part, actual state-specific consumption data to determine where the

alcoholic beverage taxes are actually borne. This allocation approach is used for the other segregable federal tax components.[3]

Table 6

Bases for Allocating the Federal Tax Burden by State

Fiscal Years 1989-1991

Tax	Base
Federal Fund Taxes	
Individual income:	Individual income tax liability (1987) adjusted by 1988 changes in personal income. (Internal Revenue Service)
Corporate income:	1/2 personal income[a] (1988) 1/2 property income[b] (1988) (Department of Commerce)
Alcoholic beverages:	1/2 total adult population; July 1, 1988 1/2 consumption data (1988) (U.S. Brewers Association)
Tobacco:	Total adult population; July 1, 1988
Estate and gift:	Six-year total of estate and gift tax collections (1984-89) (Internal Revenue Service)
Other excises and customs:	Disposable personal income (1988) (Department of Commerce)
Trust Fund Taxes	
Old-age, survivors, disability, and hospitalization insurance; railroad retirement; and Federal unemployment insurance:	1/2 personal income (1988) 1/2 personal contributions for social insurance[c] (1988) (Department of Commerce)
State unemployment insurance taxes deposited with Treasury:	Unemployment tax collections (1988) (Department of Labor)
Highway trust fund: Gasoline, diesel, special fuels, lubricating oil, and heavy vehicle use	Motor fuel excise data (1988) (Department of Transportation)
Trucks and buses, parts and accessories, tires, tubes, and tread rubber:	Truck and bus excise data (1988) (Department of Transportation)
Airport and airway trust fund, black lung disability trust fund, and other trust funds:	Disposable personal income (1988) (Department of Commerce)

[a] Personal income by place of residence.
[b] Largely intangible interest and dividends income.
[c] Adjusted for place of residence.
Source: Tax Foundation.

[3] Further explanation of the methodology — its derivation, uses, and limitations — is contained in Tax Foundation's Research Aid No. 5, *Federal Tax Burdens in States and Metropolitan Areas*, 36 pp., $10 + $2 p/h.

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